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HEALTH INSURANCE

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ADDRESS

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HEALTH INSURANCE

BY JOHN B. ANDREWS, PH.D.

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ABOUT seven years ago we began in America to give serious attention to workmen's compensation for industrial accidents. Investigation indicated that no fewer than 25,000 human lives were sacrificed each year in American industry. The list of serious injuries, incapacitating for a period of at least four weeks, totalled about 700,000 more. Each year of productive endeavor yielded as an incidental product some 45,000 widows and orphans. This truly was a social problem worthy of our best remedial efforts.

The coming of workmen's compensation, which in the short space of five years swept over 34 of our 50 States and territories, was revolutionary in its effects. Accident statistics suddenly became something more than a sorry joke. Information accumulated almost automatically. Millions of dollars, formerly spent in wasteful and contentious methods, were now available to care for the victims of accidents on a systematic, scientific basis. Even those who in the beginning opposed workmen's compensation as a legislative proposal are now loyal adherents of it in practice. Both employees and employers as well as society in general have benefited. And perhaps the chief gain has been the continued economic pressure toward accident prevention. Many employers, in cooperation with their employees and the agents of the State, are now preventing from one-half to two-thirds of their accidents which five years ago they regarded as inevitable. The coming of workmen's compensation gave impetus to the great movement for "Safety First."

As early as 1912 it had become evident to many people that this social insurance method of dealing successfully with industrial accidents would be extended before many years to another and no less serious contingency in the life of the workers. At the annual meeting of the American Association for Labor Legislation, held in Boston that year, a national committee was provided to investigate the subject of workingmen's sickness. The members of that committee include leading authorities of the country on statistics, medicine, nursing, and social insurance.

EXTENT AND COST OF SICKNESS

It has been estimated by the United States Public Health Service that about 3,000,000 persons in the United States are sick at any one time, that each of our 30,000,000 wage-earners loses an average of approximately nine days' work from this cause yearly, that the resultant yearly wage

loss totals \$500,000,000, and that medical treatment costs an additional \$180,000,000 annually.

Wage studies show that the slender savings of workingmen are inadequate to meet the burden of sickness. A recent investigation of 700 sick wage-earners by the Russell Sage Foundation disclosed that in addition to using up savings the deprivation of income was met (1) by relief societies; (2) by relatives and friends, who were undermining their own health and strength in order to help others; (3) by employers and trade unions; and (4) by borrowing money, taking in lodgers, sending the wife to work, committing children to institutions, and moving to cheaper quarters—all of which tend to reduce the standard of living and to multiply sickness. In 75 per cent. of the families receiving aid from the New York Charity Organization Society, sickness was a very serious disabling condition. About eight-tenths of the relief expenditure of the New York Association for Improving the Condition of the Poor is made necessary by sickness. The economic loss due to the impaired vitality of wage-earners, and to that of ill-nourished and ill-cared-for children when they come to working age, cannot at present be accurately measured, but it must be considerable. Moreover, although much of it is preventable, there are no signs that sickness in America is diminishing. On the contrary, deaths in middle life, due to degenerative diseases, have increased in the United States 40 per cent. during the last twenty-three years. Until some means is found to prevent illness, and to distribute its cost, sickness will continue to produce destitution, dependency, inefficiency, waste, and death.

RESPONSIBILITY FOR SICKNESS

The Committee of the Association for Labor Legislation believes that responsibility for sickness may with justice be divided among three parties—the employer, the workman, and the State.

While not to the same extent as for industrial accidents, the employer is nevertheless largely responsible for the sickness which assails his workmen and interferes with the stability of his working force. Every new man broken in, every man transferred from his regular post to take the place of a worker who is absent, represents a definite financial loss, and much of this loss is but the employer's chickens coming home to roost. Often by conditions common to his trade, such as monotony of work, speeding up, and a work-day of unhygienic length, and also by payment of wages inadequate for proper food, clothing, shelter, and recreation, he undermines the vigor and resisting powers of his workpeople, so that the omnipresent bacteria of disease find the ground well prepared. Not infrequently, also, improper heating, inadequate dust removal, or the presence of any one of more than fifty well-known industrial poisons, lead to illnesses whose occupational origin is even more direct and unmistakable.* The experience of the Leipsic health insurance fund shows a

*The valuable studies of dusty trades by Frederick L. Hoffman are particularly illuminating.

variation of from 20 to 65 per 1000 in the sickness rate for different occupations.

This does not absolve the workman, however, from all complicity in his own ill health, particularly if he nails down the windows in his home on October 1, or in the workroom refuses to use the respirators provided for him. An amusing story is told of some workers in a dusty plant who would not use the shower baths until they were forced to run stripped through a wall of water in order to reach their street clothes. In the selection of food and of living quarters, in personal care and habits, the man who must bear the physical brunt of illness falls in many cases far short of utilizing to the full the facilities for health which are at his hand.

The State also is responsible for much of our sickness. Inadequate supervision of the water or milk supply may mean an epidemic of typhoid.* Failure promptly to discover and isolate foci of contagious disease endangers a whole community. Protection of the people's physique through pure food laws is yet in its infancy. Unregulated housing conditions lead to the insanitary slums of our large cities, and backward methods of garbage and sewage removal spread pestilence in their train. Towards encouraging and elevating standards of industrial hygiene the State has done much, but much more remains to be done.

The need of the hour is for some method of bringing persistently home to each of these three parties—the individual employer, the individual workman, and the State—a due sense of responsibility for the common burden of sickness, and of enlisting the eager services of each in a thoroughgoing campaign of prevention.

INADEQUACY OF EXISTING HEALTH AGENCIES

A careful survey, furthermore, convinced our committee that existing health agencies were woefully inadequate to meet the demands upon them either for cure or for prophylaxis. Fortunately the vast body of medical service is far above the level indicated by a recent advertisement in the *Los Angeles Times* which ran:

"PERSONAL—ARE YOU SICK? IF SO, BE MADE well by Chiropractic in exchange for ladies' or gentlemen's clothing. All kinds of diseases successfully treated. Phone SOUTH 5532."

Nevertheless it remains regrettably true that the medical profession as a whole is not yet properly organized for the maximum of social service.

The tremendous development of medical science, in bulk, in variety, and in elaborateness of technique, has made possible cures which a generation ago were unthought of. But it has also brought about an era of specialization. It now often takes as many physicians to tend a patient

* According to George A. Johnson, consulting engineer, if the cities of the United States were supplied with filtered water, or water of equal purity, it would mean a reduction of the typhoid toll by 3,000 lives a year, and prevent 45,000 cases of typhoid fever, representing an annual saving of \$22,500,000. This, says Mr. Johnson, could be accomplished yearly for about one-half of the present annual cost in vital capital.

as it takes tailors to make a man. One family has been known in the course of a year to engage the services of a laboratory worker, an x-ray man, a general physician, an oculist, a dentist, an orthopedic surgeon, and a throat specialist.

Such specialized service is expensive. It can be secured by the wealthy, to whom strict economy is not an object. It can also be secured, free or at merely nominal cost, by the very poor, in the clinics and dispensaries which, in spite of uncertain financial support, have multiplied seven-fold in the past decade and a half. The great bulk of the people, however, between these two extremes, are in the main cut off from the elaborate resources of modern medicine. Some method is needed of placing these resources upon a sound financial basis and of throwing them open to the masses of the people.

POSSIBILITIES OF HEALTH INSURANCE

Insurance against sickness has been successfully tried out in many older countries. Germany, Great Britain, Austria, Hungary, France, and five other European nations have for years been reaping the advantages of this method of meeting their sickness risk.

Thus, after three years' experience with compulsory health insurance, the British physicians confess that only since the passage of the national insurance act of 1911 have they been able to treat anemia among the working class. In Great Britain, also, the act has stimulated a powerful national crusade against tuberculosis. The first effect has been to increase the availability of hospital beds already in existence but previously inaccessible to workingmen; the second has been to increase the actual accommodations. Within two years after the initiation of the act in England there were 3,000 beds in process of construction, 150 tuberculosis officers had been appointed, 150 new tuberculosis dispensaries had been opened, and nearly 1,000 shelters for out-of-door sleeping had become available. During the initial eighteen months, 19,400 insured tuberculous persons were treated at home, 8,800 through dispensaries, and 19,900 in institutions, making a total of 48,000 insured tuberculous persons who received treatment. Although in time this increased provision will result in improved health and lowered death rate, the act has, of course, been in operation too short a time for any statistical effect to be manifest.

In Germany, however, where similar measures have been in operation twenty-five to thirty years, marked results have been achieved. There the invalidity funds which afford benefit in case of prolonged disability are empowered to prevent the impending invalidity of an insured person by requiring him to undergo treatment. In addition the funds may promote general measures for the prevention of invalidity or for the improvement of the general health conditions of the population subject to insurance. Under the provisions of the law, generous accommodations have been provided, so that, in 1910, 47,000 insured persons were cared for in sanatoria for an average of seventy-three days. In addition to the actual

care of disease undertaken by the funds, they have been active in a campaign of prevention, in part through health lectures and in part through the promotion of improved housing. Because of the causal relation between housing and sickness, the invalidity funds have invested large sums in improved housing schemes, until they have become the most important organization in the German Empire for furnishing cheap capital for better homes for workingmen.

The explanation of this active campaign against tuberculosis is a financial one. According to investigations carried on between 1896 and 1899 tuberculosis holds third place as a primary cause of invalidity among adult German males. In this sense invalidity means a definite reduction in earning capacity. In 1909 the expenditure of the funds upon tuberculosis was 67 per cent. of the total amount spent upon the care and treatment of all diseases. Under such an insurance scheme it is evidently a "paying proposition" to reduce tuberculosis.

The result of these preventive and curative methods has been a marked increase in the number of cures. The tuberculosis death rate has decreased from 34.4 per 10,000 in 1880 to 16.6 per 10,000 in 1909, and to 13.65 per 10,000 in 1913.

The figures are sufficient to show that the campaign has been efficient. In the opinion of leading German authorities this amount of prevention would have been impossible without the industrial insurance laws. Privy Councilor Bielefeldt, Director of the Pension Board for the Hansa Cities, says, "The conviction may be expressed, after the experience of several years, that an effective battle against consumption among the working classes would have been all but impossible without the workmen's insurance of the German Empire. . . . Professor Kayserling and Professor Frankel, who rank among the highest German authorities upon the subject, frankly attribute the progress which has been made in the crusade against tuberculosis *more* to the industrial insurance laws than to any other cause, owing to the fact that these laws have placed within the reach of the working classes resources of healing never dreamt of before."

Moreover, while life has recently lengthened in other European countries at a rate equivalent to five, ten, or even seventeen years a century, in Prussia it has lengthened in twenty-three years at the rate of twenty-five years a century for men and twenty-nine years a century for women. No small proportion of this increase must be attributed to the impulse toward the discovery and application of scientific medicine given by the health insurance law of 1883.

If increased interest in tuberculosis can be aroused by a measure for health insurance, if through this agency the expectation of life can be increased to a degree unparalleled in other lands, is it not time to try what such a measure will do in this country?

HISTORY OF MODEL BILL FOR HEALTH INSURANCE

In June, 1913, the committee's work led to the calling of the first American conference on social insurance in Chicago. Governors of the

main industrial States appointed delegates, and the discussions were participated in by government and labor bureau officials, economists, employers, and commercial insurance men. During the summer of 1914 the committee issued a tentative statement of the essential lines which it purposed to follow in drafting a model health insurance bill.

By November, 1915, the cooperation of a committee of the American Medical Association was offered for perfecting the medical features of the measure. In tentative form 13,000 copies of the bill were distributed throughout the country, and during the months of November, December, and January following, repeated conferences were held for its final shaping before introduction in the State legislatures. Meanwhile words of encouragement came from all parts of the country. Almost simultaneously the measure was introduced in New York, Massachusetts and New Jersey, and legislative hearings early in March in the two former States lifted health insurance from the seclusion of academic discussion into the realm of practical politics.

Principal Provisions of the Model Bill.—The wonderful possibilities which to-day lie latent in our systems of curative and preventive medicine can be made available to the mass of our people only through a comprehensive health insurance system which will put medical service on a sound basis and enable the people to get full benefit of wise medical advice and the right sort of provision in hospitals and sanatoria.

The bill that we have worked out, as Professor Seager has concisely stated, contemplates compulsory health insurance and justifies that proposal on the ground that experience everywhere has shown that voluntary insurance will not reach the classes which need it most. The system must be made obligatory if it is going to render the large social service of which it is capable.

The obligation to insure imposed by the bill is to apply to all manual workers and to all non-manual workers, clerks, foremen, etc., whose earnings are less than \$1200 a year. Even home workers are to be included as far as this is administratively possible—the details to be worked out by the commission to be created.

In addition, provision is made with adequate safeguards for the voluntary insurance of persons who desire to gain the benefits of this great cooperative plan and who are not included among those who must insure. The benefits to be provided are medical, surgical, and nursing benefits, medicines and surgical supplies, beginning on the first day of illness and continuing if necessary through the twenty-six weeks in any one year during which benefits are to be paid.

As to cash benefit, the bill proposes that it be two-thirds of wages, and that it begin on the fourth day of illness and continue during the disability but for not more than twenty-six weeks in any one year.

The third type of benefit is hospital or sanatorium care, where this is prescribed, or desired, with the consent of the physician. In that case the cash benefit to the dependent members of the family is to be reduced to one-third of wages.

A fourth benefit is the maternity benefit, which is to consist of medical care for the mother in the case of insured women for not more than eight weeks, on the ground that this is a kind of disability from capacity to earn wages, comparable with illness, and that the need for support during this period for wage-earning women is as great as in the case of ordinary illness — especially great from the point of view of our legal situation, because in some States we prohibit women from gainful employment for a certain period of time immediately before or after child bearing, and therefore deprive them, if they are wage-earners, of their usual source of income.

Finally, there is provision for a funeral benefit of not more than \$50. These benefits are to be paid for out of funds to which it is proposed that employer and employee contribute equally, and to which the State contributes one-fifth of the total; so that the division of the expense will be two-fifths of the sum on the employee, two-fifths on his employer, and one-fifth on the State.

In view of what has been said regarding the occupational factors in illness, it has been thought, Professor Seager points out, that this contribution of two-fifths from the employer is not excessive. Moreover, it is justified by the importance of enlisting his interest in the whole program, and his intelligent cooperation in the administration of the insurance fund. Our experience with workmen's compensation acts shows how much can be accomplished when we make it financially profitable. If we are to start a "Health First!" campaign comparable with the "Safety First!" campaign that is now so well launched, we must make health a paying investment for all in a position to promote it.

It would not, however, be just to require the employer to pay all of the cost of health insurance, as he now rightfully does of accident compensation. The employee's personal habits are responsible for much of his own illness. Through financial interest the workman himself must be aroused to exercise more care for his own health, to discourage malingering, and to cooperate intelligently in the fair and economical administration of the funds. Unless the worker contributes to the fund, it is hard to see also how he could be given voice and vote in its administration, without which the plan would degenerate into mere paternalism.

It is believed also that the State should bear about one-fifth of the financial burden, which is probably not much more than it is already paying in crude and uncoordinated attempts at public health work, in public hospitals and sanatoriums, and in charitable relief to the destitute victims of unprevented disease.

The administration of the plan, as proposed by the bill, is to be vested in local mutual insurance societies, to be supervised by a social insurance commission for the whole State. The local insurance societies are to be governed by representatives elected in equal number by the employers and employees concerned. Employers and employees are to select members of a large committee, the same number from each side; this large committee is to select a smaller board of directors for the insurance society.

As you will observe, this is practically the German plan, and our confidence that it will operate well in this country when established is based upon observation of its success in Germany. We see no reason why in the administration of such a system there should be anything but the most cordial cooperation. The employer would have no motive for hampering the efficiency of the plan. On the contrary, we believe that his advice and assistance will aid it.

This is to be the general type of administrative organization. To supplement it, provision is made for the organization of trade societies in localities where there are enough individual employees in particular trades to make that administrative unit of sufficient size. Then there is provision for voluntary organizations, such as we have at present,—labor unions, establishment funds, and the like—provided that they meet at all points the requirements of the law, comply with regulations of the social insurance commission destined to hold them up to the standards which the law prescribes, and that they are financially sound.

As to the social insurance commission, the central body to have supervision over the whole system, the details are left rather shadowy in the provisional draft bill, because we think this must be adapted to special conditions in the different States that adopt the system. It is proposed that the commission or bureau shall consist of three members; that their position shall be non-political as far as possible, and that their tenure of office shall be long enough to insure continuity of service and the right type of commissioner.

The powers of the commission are made quite broad with a view to enabling it to meet any situation that may develop as the administration of the law proceeds. It is at the same time subject to judicial review in the exercise of its powers, so there is no danger of its becoming unduly autocratic in attitude.*

Objections to Model Bill.—Objections to the model health insurance bill have come in the main from three groups, and probably one of the silliest objections yet raised is that we should not proceed until we have complete sickness statistics. Any informed person must realize that no country in the world ever got sickness statistics worthy of the name until it first got health insurance.

A few employers have objected on the ground that the additional burden would "drive industry out of the State," and that the system is "paternalistic." Careful calculations show, however, that the employer's contribution will equal but little more than 1 per cent. of pay roll, and so slight an expense need not jeopardize any industry. Moreover, this is the same argument which was made a few years ago against workmen's compensation, and we have yet to learn of a single industry which has left any State because of the burden of compensation payments. In fact, under the New York State compensation law, the most liberal in the world,

* The "American Labor Legislation Review," March, 1916, contains the complete statement by Prof. Seager.

it has been found that the total cost to employers is actually less than it was under the old liability system. With reference to the charge of "paternalism," Doctor Royal Meeker, United States Commissioner of Labor Statistics, has said:

"Many earnest people are afraid that social insurance will take away from the working man his independence, initiative, and self-reliance, which are so celebrated in song and story, and transform him into a mere spoon-fed mollicoddle. This would be a cruel calamity. But if the worst comes to the worst, I, for my part, would rather see a race of sturdy, contented, healthful mollicoddles, carefully fed, medically examined, physically fit, nursed in illness and cared for in old age and at death as a matter of course in recognition of services rendered or for injuries suffered in the performance of labor, than to see the most ferociously independent and self-reliant super-race of tubercular, rheumatic and malarial cripples, tottering unsocialistically along the socialized highways, reclining self-reliantly upon the communal benches of the public parks and staring belligerently at the communal trees, flowers and shrubbery, enjoying defiantly the social light of the great unsocialized sun, drinking individualistically the socialized water bubbling from the public fountain, in adversity even eating privately the communistic bread provided in the community almshouses, and, at last going expensively to rest, independently and self-reliantly, in a socialized or mutualized graveyard full of little individualistic slabs erected to the memory of the independent and self-reliant dead."

Certain representatives of trade unions have entered protest, usually not against the purposes or principle of the measure, but against the provision that the workers contribute to the insurance funds. In other words, they are willing to receive the benefits, but are unwilling to bear their share of the expense. However, such far-seeing representatives of labor as James Duncan and John Mitchell recognize the need of legislation to create a system of health insurance, and needless to say, a system supported solely by the State and by the employers cannot be as liberal or as efficient as one in which the insured persons themselves meet a just portion of the expense and participate in the management.

From a certain element of physicians, also, dissent has been heard. These practitioners, largely "lodge doctors," agree with the principle of universal health insurance and, in common with the leaders of the profession, recognize it as inevitable within the next few years. Their opposition is directed at minor administrative details in which they fear that their interests may not have been sufficiently safeguarded. As the movement for health insurance develops they will be given full opportunity to present their concrete suggestions, and there is no doubt that as is now the case in Germany and in England the medical men of the country will soon stand as a unit in support of this twentieth century device for cooperation within the profession. Already the American Medical Association has appointed a committee to assist in perfecting the medical

details, and Dr. Rupert Blue, surgeon-general of the United States Public Health Service and president of the association, has declared that "Health insurance is the next great step in social legislation."

CONCLUSION

This, then, is the situation: For our present waste and suffering through unchecked disease there is a three-fold responsibility, shared by employer, employee, and the State. Each of these three has a compelling interest, perhaps only dimly glimpsed as yet, in the prevention of preventable disease and in the prompt succor and relief of that which cannot yet be prevented. For the attainment of these purposes the three interested parties must be welded together in a progressive, educational, health movement, and such a movement can be called into being through a comprehensive plan of health insurance with its burdens equitably distributed. To this end the American Association for Labor Legislation earnestly and hopefully invites your cooperation.*

DISCUSSION ON PAPER BY DR. ANDREWS

James Jenkins, Jr., Brooklyn: I want to go on with one of the arguments that Dr. Andrews has just made. He spoke of the cost of insurance and talked about the cost to the State and the cost to the employer, but he did not mention the cost to the employee. This has been brought up as an objection by a good many people, who say that the poor workingman would have to spend more money for this form of insurance than he now spends for industrial insurance in other forms. As a matter of fact, the bill which has been introduced in three States provides cheaper insurance than any of the forms of insurance now carried by the workingman. By it he would pay less and get more for his money.

The special knowledge that the tuberculosis committees have ought to make us of the greatest help in this movement for health insurance. We doubtless know the number of cases in our community; we know that poverty is caused by sickness; we know the pride of the workingman and woman, who will not give up their work and who indeed cannot give up their work; we know their lack of faith in private charities; we know the breakdown of private charities; we know the need for early care and diagnosis.

These facts should make us go out as pioneers and help such associations as the Labor Legislation Association to push the question of health insurance, and thus another step towards social justice.

In the winter of 1914-1915, the Brooklyn Bureau of Charities made a small study of the causes that had brought 287 active cases being helped by the Brooklyn Bureau of Charities to poverty. This was the winter of great unemployment caused by the beginning of the war. Of the 287 cases studied, it was shown that there were more charity cases caused by

* Copy of the model health insurance bill, with additional information, may be had by addressing the Association at 131 E. 23d St., New York City.

illness, and illness and unemployment together, than were caused by unemployment alone. This fact ought to make every charity organization society recognize the need of health insurance.

One of the greatest arguments for health insurance that Dr. Andrews has brought out is that it is the means of prevention. I believe that having the community pay the cost of sickness would greatly encourage the preventive means that have been started by employers, the State and the employees. Up to the present time in the United States, we have considered sickness to be a private problem. Each family is expected to take care of itself. Most European countries, however, consider the care of the sick to be a public function and have passed in some of the countries sickness insurance before accident insurance. A good many of us believe in social insurance along a number of lines, but I think perhaps the greatest appeal could be made to the public for sickness insurance. Certainly it seems to many of us that health insurance ought to come before insurance for unemployment.

I agree with the Association for Labor Legislation, that the German plan in general is the plan that we ought to adopt, possibly with some modifications. There are several questions that should be decided about sickness insurance and they group themselves in my mind in this way: Should it be compulsory or voluntary? We all agree for various reasons, that it should be compulsory. Competitive or non-competitive? No doubt we all agree that it should be non-competitive. What should be the control? State, local or private? I think that the control should be State and private combined. Should the collection be by employer or at home or office? The employer seems to be the best channel for collection. Should the fund be State, local, or private? I agree with Dr. Andrews and his association, that it should be along the lines of the German system, which is a combination of State and private.

Health insurance might utilize private organizations, such as benefit societies, labor unions and labor union benefits. It has been suggested, although I cannot be sure I agree with it, that the great mutual life insurance companies, carrying millions of policies, might in some way be worked into this scheme.

One of the reasons that I have been asked to speak on health insurance is because part of my job is to run a sanatorium, which is largely managed by the labor unions, and we have the experience week in and week out of having cases brought to us for admission of workingmen, who are in the most advanced stage of tuberculosis. We urge the unions not to bring us these cases as we are not in a position to accept them and their answer is always the same: "The workingman will not give up his job until he is ready to die; he will not accept private charity and so he stays on the job." I think Dr. Andrews has brought out quite clearly that the passing of the health insurance laws would make it possible for these men to be taken care of out of the insurance funds that they have and which they know are partially theirs.

Labor unions do give benefits but very few of them give adequate

amounts and although labor unions are interested in health, they are not so interested now as they would be if every one of their men were paying towards a general sickness fund.

The talk of preparedness is heard on every side but large armies and large navies are ineffective unless backed by efficient industrial organizations. We are trying, in the United States, to make democracy efficient. Any program for preparedness that leaves out of account such tremendous waste as that caused by preventive sickness, is certainly futile. Health insurance would be an important move toward proper preparedness.

Dr. Hoyt E. Dearholt, Milwaukee: Personally I believe that the optimism of Dr. Andrews concerning the nearness of the time when we are to have some form of health insurance is amply justified. I do not know what form it will take, but I know that we are going to have something of the sort, first of all because it is one of those desirable things that it seems to be almost impossible to find any good argument against; and second, because I believe that, as Dr. Andrews has suggested, it is going to be found to be just as good business for employers to have health insurance as it has been to engage in the Safety First movement.

In this connection I was interested in the instance of one firm in Milwaukee which made an expenditure of \$50,000 in one year for safety appliances in their plant and found at the end of that year, very unexpectedly, that this amount had been returned to them in financial savings by reducing the number and costs of accidents.

The representative of the Wisconsin Industrial Commission, who has charge of the safety work, informs me that their greatest labor to-day is in keeping firms from going too far. They have to put on the brakes to keep employers from spending too much and thus bring about a dangerous reaction.

Dr. Andrews referred to the medical profession in a way that excites a little resentment on my part. However, the attitude of the medical profession is one of the important factors in this whole proposition. It is true that there will be a considerable amount of opposition on the part of physicians to the inauguration of health insurance, this notwithstanding the fact that practically all physicians of the better sort, who have had experience in social medicine, have felt for a long while the need of some organization method which will permit physicians to be active in a community rather than passive.

I mean by that that as we are called upon to practice medicine to-day, we must sit back and wait for the patient to take the initiative in coming to us for treatment and for advice. This, of course, is all wrong. The years in which the young medical men have the greatest possibilities for good and enthusiastic, hard and energetic work are those in which they spend almost all of their time sitting in the office entertaining book agents and detail men from the drug firms.

This is all wrong. So, I think that the best men in the medical profession are going to welcome whatever it may be that will give the mass of

physicians the opportunity to apply their learning and their ability in a time and place where it is needed.

Nobody realizes more than a member of the medical profession, many of its shortcomings. But I want to say this, however, that practically every effort that has ever been made in State legislatures, or elsewhere, to raise the tone and the quality of the medical profession has been introduced by that profession, and such measures have almost never been supported by anybody but physicians, with the result that the profession is charged, whenever it attempts to raise its standard, with an attempt to create a medical trust. This charge is made when it is acting against its own immediate, personal advantage. It seems to me that we are going to have opposition, as I said, to this measure, from a certain element of the medical profession, and it will not be the best element. This health insurance enterprise is not going to come into being in a day or a week, and there seems to me to be an opportunity for the people in social work who appreciate the need of high-class physicians, to go out and do something in the effort to get a better class of physicians.

I have studied over the booklet of Dr. Andrews' organization, and listened to him carefully to-day to see if this proposed plan is to be as general in application as I feel it needs to be. While I live in a good-sized, industrial city, I like best to be considered a rural, public health man, coming from a State which is more than one-half rural, because I believe that States that are largely rural are more typical of America — I mean America in the broad sense of the country — than the industrial cities are.

I noticed an interchangeability of terms and changing of the terms — "industrial insurance" and "health insurance." Now, I personally believe that if we do not look out we are going to have some scheme that will be altogether too much industrial and not general and not to apply to our needs. I think it is most important, too, as a citizen of a State whose legislature is controlled largely by farmers, to have something that is going to interest the farmer and be of benefit to him. The more one studies the health problem, the more he finds that the conditions that we find so commonly and so easily to be bad in the large cities, are almost equally as bad in the country if we take the greater trouble of finding them.

As I said in opening, I am optimistic that something in the way of health insurance is coming. Just what I do not know. I do not think there is anybody who knows just what form it will ultimately take. I do feel, however, that we need in America a system that is a little different from the German especially, as I understand that industrial insurance has not been taken up well in the large rural agricultural districts of Germany. I think we must remember that America is largely an agricultural nation and that farmers need to be provided for. Finally an ideal system will require a great deal of hard work and considerable patience, —but not too much patience.

